

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited  
(A limited company and registered charity)**

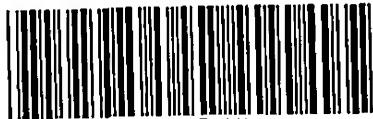
**Annual report and financial statements**

**Year ended 31 December 2009**

**Company number: 1332670**

**Charity number: 274605**

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**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

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**Year ended 31 December 2009**

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The Church of Jesus Christ of Latter-day Saints (Welfare) Limited

Report of the trustees for the year ended 31 December 2009

The trustees are pleased to present their report together with the consolidated financial statements of the charity for the year ending 31 December 2009

## Legal and administrative details

Charity number 274605

Company number 1332670

Principal office and registered office 751 Warwick Road, Solihull, West Midlands, B91 3DQ

Auditors Grant Thornton UK LLP  
Enterprise House, 115 Edmund Street,  
Birmingham, B3 2HJ

Bankers HSBC  
34 Poplar Road, Solihull, West Midlands, B91 3AF

Bank of America  
26 Elmfield Road, Bromley, Kent, BR1 1WA

Solicitors Devonshires  
Salisbury House, London Wall, London, EC2M 5QY

### Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

The trustees serving during the year and subsequent to the year end and up to the date of signing the report were as follows

Robert John Mulligan

Gregory William Reeves Resigned 17 December 2009

Rainer Herbert Gottlieb Wiborny

Joseph Bitner Wirthlin Jr. Appointed 17 December 2009

**Paul Genho** Appointed 20 March 2009

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

**Report of the trustees for the year ended 31 December 2009 (continued)**

**Structure, governance and management**

**Governing document**

The Church of Jesus Christ of Latter-day Saints (Welfare) Limited is a limited company and a registered charity. The charity is governed by its Memorandum and Articles of Association.

**Appointment of trustees**

As set out in the Articles of Association, new or additional directors (trustees) are to be appointed by the shareholder (Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two or more than seven in number.

The shareholder may, from time to time, may vary the minimum or maximum number of directors (trustees).

**Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

During the induction day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires solicitors.

**Organisation**

The parent organisation of the charity, The Church of Jesus Christ of Latter-day Saints, is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be assigned to serve as an Area Presidency within a specific geographic area.

Throughout the world a number of Area Presidencies are assigned to administer the day to day affairs of the Church on behalf of the First Presidency. One of these Area Presidencies is based in Frankfurt, Germany and has the responsibility for the administration and operation of the Church in Europe. The Europe Area Presidency provides ecclesiastical direction for the Church in Europe and oversees the Church's lay ministry.

Ecclesiastical direction is channelled to the charity via the shareholder (Corporation of the Presiding Bishop) and is reflected in the various department budget requests which are reviewed by the trustees annually.

Within this framework, the board of trustees administers the affairs of the charity. The board meets at least twice a year. Department heads submit reports and budget requests to the trustees for approval in or around October each year. In or around March each year department heads report to the trustees on the prior year's financial performance and achievements.

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

**Report of the trustees for the year ended 31 December 2009 (continued)**

**Structure, governance and management (continued)**

In addition, the trustees monitor progress and achievements throughout the year and other trustee meetings are held as necessary

**Employees**

The charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways

- Applications for new positions in the charity are invited from anyone with the relevant qualifications – the key emphasis is on their ability to meet the requirements of the position although the application form does request the applicant to mention if they have any illness or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful
- The charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of the charity
- In addition to the above points, the charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long-term disability benefits from the charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee

**Related parties**

The charity has a close relationship with its sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain). There is regular cooperation between the charities. The charity holds 100% of the share capital of its two subsidiary companies, AgReserves Limited and Anderson Farm (Buckworth) Limited

**Principal risks and uncertainties - financial risk and management**

The following statements summarise the charity's policy in managing identified forms of financial risk

- Price risk – salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices
- Credit risk – Credit risk on amounts owed to the charity by its customers is low as the majority of its debtors have been contracted with frequently by the charity in the past and have a proven reliability

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

**Report of the trustees for the year ended 31 December 2009 (continued)**

**Structure, governance and management (continued)**

- Liquidity risk – The charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company
- Interest rate cash flow risk – The charity is able to place surplus funds on short term deposit with the company's bankers

The trustees have a risk management strategy which encompasses

- An annual review of the risks the charity may face,
- The establishment of systems and procedures to mitigate those risks identified in the strategy, and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

**Objectives and principal activities**

We have the general aim of assisting The Church of Jesus Christ of Latter-day Saints ("The Church") to grow its membership and to provide facilities for them and to reach out and work with and provide services to the wider community. We assist members of The Church and others in need of religious assistance or in conditions of need, hardship, sickness or distress

The object of the charity is

To promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations

The charity achieves this in the following ways

- Acquires land and builds purpose-built meetinghouses for The Church of Jesus Christ of Latter-day Saints (Great Britain) in which members of the Church and the public can meet together for religious worship and instruction
- Teaches members, and non-members where possible, welfare and self-reliance principles for general living and emergency situations to provide for themselves and their families

**Public benefit**

The trustees have read and given due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

**Report of the trustees for the year ended 31 December 2009 (continued)**

**Achievements and performance**

The achievements of the charity for the year were as follows

**Provision of facilities for religious worship**

One of the primary objectives of the charity is to provide temples and meetinghouses to enable religious worship to be undertaken by members of the Church and others. The acquisition of land and the construction of new facilities is one of the mains aims of the charity.

The charity works closely with The Church of Jesus Christ of Latter-day Saints (Great Britain) – ("GB") which utilises the meetinghouses for worship purposes. In October 2009 Welfare paid £655,500 to secure the purchase of a site in Manchester. The eventual contract for this purchase was agreed and signed in March 2010. The construction of a new meetinghouse in Congleton was completed in 2009 at an overall cost of £1,450,000.

**Encourage welfare principles**

Consumption of wheat is encouraged in the Church's health code and members are encouraged to store and use it. Wheat sales were provided to members during the year to the total of £16,572 and members were instructed on long term wheat storage and encouraged to incorporate wheat in their day to day food preparation.

Local leaders of the Church were given counsel and direction on how best to respond to the needs of the poor and needy. This training was undertaken by volunteers who, in addition, provided further training on responding to spiritual, emotional and social needs, resource management and debt avoidance, enhancing physical health and well-being and meeting the education and literacy needs of members.

Ecclesiastical leaders identified volunteers who could provide employment counselling services and, following training, they assisted in 1,826 education and employment placements. In addition, the employment centre in London continues to assist families and individuals who are facing challenges as a consequence of the economic downturn.

**Subsidiary undertakings**

Farmspeed (Southery Anchor) Limited and Hallsworth (Farmland Trust) Limited, which were dormant subsidiaries at the beginning of the year, were dissolved on 2 June 2009.

AgReserves Limited's principal activity continued to be that of arable farming and operated a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology.

AgReserves Limited leases all of the farm land owned by Welfare and then farms that land. The operations of the subsidiaries promote the welfare and self-reliant principles of the charity. The trustees are mindful that the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around two major farm centres in Lincolnshire and Cambridgeshire. On that basis, during 2009 the trustees approved the purchase of parcels of land in these two regions to the value of £4,871,020. Again, based on the

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

**Report of the trustees for the year ended 31 December 2009 (continued)**

**Achievements and performance (continued)**

blocking up strategy, the property of Parsonage farm near Kings Lynn in Norfolk was sold for £9,004,500 including VAT, in August 2009

On 20 August 2009 the charity acquired the company Anderson Farm (Buckworth) Limited primarily for its agricultural land holdings for a total consideration of £2,949,649

After taking into account the consolidation adjustments the net income of the subsidiaries included in the statement of financial activities was as follows

AgReserves Limited – profit of £2,301,000

Anderson Farm (Buckworth) limited – loss of £14,000

**Financial results**

Each year the trustees carry out a detailed review of each department of the charity. They review the previous year's achievements and review and approve the budgets for next year

The end of the year saw an excellent financial result based on strong financial management

Incoming resources saw an increase from £9,405,000 in 2008 to £15,908,000 in 2009. This was primarily due to the profit on disposal of Parsonage farms of £5,321,000. Construction sales to GB increased from £500,000 in 2008 to £1,089,000 in 2009

The other incoming resources were income from trading subsidiaries (£8,455,000), investment income (£119,000) and other operating income (£16,000)

Costs were maintained within budget and increased from £5,819,000 in 2008 to £9,857,000 in 2009, particularly due to an increase in forgiven debts treated as grant expense totalling £1,779,000 and an overall increase in expenses of trading subsidiaries of 1,511,000. In addition the general inflationary economic climate contributed to rising costs

Incoming resources exceeded resources expended for the year by £6,051,000

**Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees deem to be in the best interests of the charity

The charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return

To achieve this objective, the charity invested £11.3 million in fixed-term deposit accounts with high security rating from periods of one week to one month and achieved an average rate of 1.34% gross during 2009

Investment income is recognised on a receivable basis

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

**Report of the trustees for the year ended 31 December 2009 (continued)**

**Financial results (continued)**

**Reserves policy**

The trustees have established the level of reserves (that is those funds that are freely available) that the charity and its subsidiary companies ought to have ready access to. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and member donations. The trustees' policy is to hold, as a minimum, the equivalent of approximately 18 months charitable expenditure in reserves.

**Plans for future periods**

The actual reserves at 31 December 2009 were £64,021,000 which is significantly above our target.

It is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis. The goals for 2010 include plans to

- 1 Implement General Welfare Committee Strategic Priorities
  - Teach members the principles of fasting and fast offerings
  - Teach leaders basic welfare doctrines and principles
  - Help members find employment
  - Encourage home production and storage of food
  - Encourage all aspects of family preparedness using the free written materials produced by the Church
- 2 Encourage Humanitarian Services in local communities
- 3 Implement the International Welfare Strategy as applicable
- 4 Continue to enhance the profitability and efficiency of the farms through well reasoned acquisitions and sales to achieve, over time, a concentration on land holdings around two major farms
- 5 During 2010 it is planned to commence the design phase of 4 meetinghouses in the United Kingdom, namely Buchan, Omagh, Manchester and Milford Haven. In addition the replacement meetinghouse at Runcorn will be completed at an overall estimated cost of £2,391,000

**Trustees' responsibilities in relation to the financial statements**

The trustees (who are also directors of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The

**The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

**Report of the trustees for the year ended 31 December 2009 (continued)**

**Trustees' responsibilities in relation to the Annual report and financial statements (continued)**

financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period

In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as each of the trustees is aware

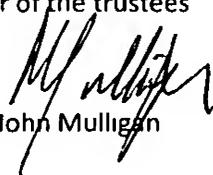
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**Auditors**

Grant Thornton UK LLP are to be re-appointed as auditors to the charity for the ensuing year

By order of the trustees

Robert John Mulligan



Trustee

15 September 2010

## **Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited**

We have audited the group and parent charitable company financial statements (the 'financial statements') of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited for the year ended 31 December 2009 which comprise the principal accounting policies, the group and company statement of financial activities, the group and company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Report of the trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited (continued)**

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

#### **In our opinion**

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Report of the trustees is consistent with the financial statements for the year ended 31 December 2009

*Grant Thornton UK LLP*

Kathryn Godfree

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

15 September 2010

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
for the year ended 31 December 2009

		GROUP		COMPANY	
	Note	Unrestricted Total funds 2009 £'000	Unrestricted Total funds 2008 £'000	Unrestricted Total funds 2009 £'000	Unrestricted Total funds 2008 £'000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income					
Donation from parent company		838	1,012	838	1,012
<b>Investment income</b>					
Rental income		6	15	1,162	1,170
Interest receivable		113	674	95	500
<b>Incoming resources from charitable activities</b>					
New construction		1,089	500	1,089	500
Income from trading subsidiaries				-	-
Existing	1a	8,445	7,027	-	-
Acquired	1a	10	-	-	-
		10,501	9,228	3,184	3,182
<b>Other incoming resources</b>					
Other operating income		16	70	16	70
Profit/(loss) on disposal of tangible fixed assets	3	5,391	107	5,321	(3)
		5,407	177	5,337	67
<b>Total incoming resources</b>		<b>15,908</b>	<b>9,405</b>	<b>8,521</b>	<b>3,249</b>
<b>Resources expended</b>					
Expenses of trading subsidiaries		6,256	4,745	-	-
Charitable activities	2a	3,587	1,047	3,710	1,145
Governance costs	2d	14	27	14	27
<b>Total resources expended</b>		<b>9,857</b>	<b>5,819</b>	<b>3,724</b>	<b>1,172</b>
<b>Net income for the year</b>		<b>6,051</b>	<b>3,586</b>	<b>4,797</b>	<b>2,077</b>
Total funds brought forward		57,970	54,384	52,956	50,879
<b>Total funds carried forward</b>		<b>64,021</b>	<b>57,970</b>	<b>57,753</b>	<b>52,956</b>

All operations are continuing

There is no difference between the results above and the unmodified historical cost equivalents for this period

The statement of financial activities includes all gains and losses recognised in the year

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

BALANCE SHEETS  
As at 31 December 2009

	Notes	2009 £'000	2008 £'000	GROUP 2009 £'000	COMPANY 2008 £'000
<b>FIXED ASSETS</b>					
Goodwill	8	10	-	-	-
Intangible assets	7	55	-	-	-
Tangible assets	6	52,949	49,624	48,175	47,115
Listed investments	9	5	5	7,050	4,100
		53,019	49,629	55,225	51,215
<b>CURRENT ASSETS</b>					
Stock	10	5,681	6,256	-	-
Debtors	11	4,160	2,347	5,531	4,077
Cash at bank and in hand		5,873	3,531	1,283	704
Investments	12	11,252	10,731	11,252	10,731
		26,966	22,865	18,066	15,512
<b>CREDITORS</b>					
Amounts falling due within one year	13	(1,730)	(905)	(1,322)	(152)
<b>NET CURRENT ASSETS</b>					
		25,236	21,960	16,744	15,360
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		78,255	71,589	71,969	66,575
<b>CREDITORS</b>					
Amounts falling due after more than one year	14	(4,216)	(3,619)	(4,216)	(3,619)
Provision for deferred tax		(18)	-	-	-
<b>Net assets</b>					
		74,021	67,970	67,753	62,956
<b>CAPITAL AND RESERVES</b>					
Unrestricted income funds					
Called up share capital	15	10,000	10,000	10,000	10,000
Unrestricted funds	16	64,021	57,970	57,753	52,956
<b>Total charity funds</b>					
		74,021	67,970	67,753	62,956

The principal accounting policies and notes on pages 14 to 27 form part of these accounts

The financial statements on pages 11 to 27 were approved by the board of directors on 15 September 2010 and were signed on its behalf by

Robert John Mulligan  
Trustee

Company number 1332670

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating surplus	18a	6,303	2,912
Depreciation		960	964
Profit on disposal of fixed assets		(5,391)	(107)
Decrease/(increase) in stocks		575	(1,617)
(Increase)/decrease in debtors		(1,760)	120
Increase/(decrease) in creditors		1,164	(245)
Transfer of land to GB company		1,069	-
 Net cash inflow from operating activities		 2,920	 2,027
 Tax paid		 (718)	 -
Returns on investments and servicing of finance	18a	113	674
Capital expenditure and financial investment	18a	2,557	(1,246)
Management of liquid resources	18a	(521)	(1,203)
Acquisition of subsidiary, net of cash	9	(2,606)	-
 <b>INCREASE IN CASH IN THE YEAR</b>		 1,745	 252
 <b>NET DEBT AT 1 JANUARY 2009</b>		 (88)	 (340)
 <b>NET FUNDS/(DEBT) AT 31 DECEMBER 2009</b>	18b	 1,657	 (88)

## THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

### PRINCIPAL ACCOUNTING POLICIES for the year ended 31 December 2009

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The financial statements are prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2005. A summary of the significant accounting policies which have been applied consistently is set out below

#### BASIS OF ACCOUNTING

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards

#### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and all of its subsidiary undertakings for the year. All financial statements are made up to 31 December 2009. The consolidation has been prepared using the acquisition method of accounting. Under this method, the results of subsidiary undertakings acquired are included in the Statement of Financial Activities (SOFA) from the date of acquisition

#### FRS 18

The trustees have reviewed the accounting policies and confirmed that they are the most applicable

#### INCOMING RESOURCES

All incoming resources are included in the SOFA when the organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy. Costs of constructing new buildings on behalf of The Church of Jesus Christ of Latter-day Saints (Great Britain) - "GB company" are recharged at each year end on the basis of total construction costs incurred to date. Rental income is recorded in accordance with the terms of the appropriate lease. Income from subsidiaries represents revenue recognised in respect of goods and services applied exclusive of VAT and trade discounts

#### RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the charity

Governance costs incorporate those costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. An analysis of these costs are disclosed in note 2

#### TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual fixed assets costing £2,000 or more are capitalised at cost. Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write down each asset to its estimated residual value over its expected useful life, as follows

Farm houses	over 10 to 40 years
Farm buildings and amenities	over 10 to 40 years
Equipment, fixtures and fittings	over 5 to 10 years
Plant and machinery	over 5 to 10 years

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)  
for the year ended 31 December 2009

**INTANGIBLE FIXED ASSETS**

Intangible fixed assets represent purchased entitlements to receive the single farm payment subsidy. These are held at cost and not amortised since their estimated expected useful life is uncertain.

**FIXED ASSET INVESTMENTS**

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in value.

**STOCKS**

Stocks and cultivations are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Government subsidies are no longer included as part of the net realisable value of the crops as directed by the Rural Payments Agency.

Provision is made for obsolete and slow-moving items. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

**OPERATING LEASES**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term.

**FOREIGN CURRENCY TRANSLATIONS**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

**DEFERRED TAXATION**

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more or less taxation in future. An asset is recognised to the extent that the transfer of economic benefits in future is more likely than not. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities recognised are not discounted. This policy applies equally to subsidiary undertakings.

**PENSION COSTS**

The company is party to a defined benefit scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans (see note 19). The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made during the year or accrued at the year-end (i.e. on a defined contribution basis), as required by Financial Reporting Standard 17 "Retirement Benefits" in circumstances where the company cannot identify with any degree of accuracy its share of the scheme assets and liabilities. The company provides no other past retirement benefits to its employees.

Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)  
for the year ended 31 December 2009

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**PARENT COMPANY DONATIONS AND CAPITAL CONTRIBUTIONS**

Donations by the company's parent undertakings to fund certain aspects of the company's excess of expenditure over income are included within incoming resources in the year to which they relate

Capital contributions by the company's parent undertakings to provide funding are treated as an exceptional item in the statement of financial activities in the year in which they arise

**AREA AID INCOME**

Area aid income is recognised in the SOFA when the underlying crops are sold  
Set-aside income is recognised on a receivable basis wherever practicable else on a receipts basis

**FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the company and which have not been designated for other purposes

**LIABILITIES**

Liabilities are recognised when the group has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that the payment will be made

**GOODWILL**

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities

**INVESTMENTS**

Investments represent cash on short-term deposit. The company's objective is to maintain liquidity of funds while ensuring maximum security and achieving the highest possible return.  
Investment income is recognised on an accruals basis

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

**1a NET INCOME OF TRADING ACTIVITIES OF SUBSIDIARIES**

At year end the charity owned two subsidiaries which are incorporated in England and Wales. Both subsidiaries operated farming activities. Anderson Farm (Buckworth) Limited was acquired on the 20th August 2009. The results from Anderson Farm (Buckworth) Limited have been consolidated from the date of acquisition. Two previously dormant subsidiaries, Farmspeed (Southery Anchor) Limited and Hallsworth (Farmland Trust) Limited were dissolved on 2 June 2009. The results of the subsidiaries included in the SOFA are as follows:

	Anderson Farm (Buckworth) Limited £'000	Ag Reserves Limited £'000	2009 Total £'000	2008 Total £'000
Turnover	10	8,568	8,578	7,125
Cost of sales	-	(4,034)	(4,034)	(2,393)
<b>Gross surplus</b>	10	4,534	4,544	4,732
Operating expenses	(4)	(3,009)	(3,013)	(2,970)
<b>Operating surplus</b>	6	1,525	1,531	1,762
Profit on disposal of tangible fixed assets	-	70	70	110
Interest receivable	-	18	18	174
Taxation	(20)	(345)	(365)	(538)
<b>Net (expenditure)/income for the year</b>	(14)	1,268	1,254	1,508
Consolidation eliminations				
Rent payable to parent undertaking	-	1,156	1,156	1,156
Management fees receivable from parent undertaking	-	(123)	(123)	(98)
<b>Net (expenditure)/income of trading subsidiaries included in the Statement of Financial Activities</b>	(14)	2,301	2,287	2,566

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

1b ASSETS AND LIABILITIES OF SUBSIDIARIES

	2009 £'000	2008 £'000
Aggregate assets	17,464	25,005
Aggregate liabilities	(4,156)	(10,359)
Net assets	13,308	14,646

2a ANALYSIS OF CHARITABLE ACTIVITIES

	GROUP		COMPANY	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cost of construction	1,798	986	1,921	1,084
Welfare provision	1,789	61	1,789	61
	3,587	1,047	3,710	1,145

2b COMPANY CHARITABLE ACTIVITIES ALLOCATION

Activity	Activities Undertaken Directly	Support Costs	Total
	£'000	£'000	£'000
Construction of church buildings	1,089	832	1,921
Welfare provision	1,786	3	1,789
<b>Total</b>	<b>2,875</b>	<b>835</b>	<b>3,710</b>

2c SUPPORT COSTS ALLOCATION

Support cost	Construction	Welfare Provision	Basis of Allocation
	£'000	£'000	
Depreciation and amortisation	324	-	Usage
Physical facilities	115	1	Usage
Operating costs	393	2	Usage
<b>Total</b>	<b>832</b>	<b>3</b>	

The basis of allocation was determined by the actual usage in each of the cost categories which was attributable to that particular activity

2d GOVERNANCE COSTS

	2009 £'000	2008 £'000
Audit	14	14
Accounting	-	11
Tax consultancy	-	2
	<b>14</b>	<b>27</b>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

**3 NET INCOME FOR THE YEAR**

	2009 £'000	2008 £'000
Net income is stated after charging		
Operational leases (land and buildings)	15	10
Depreciation		
- owned assets	960	288
Profit on disposal of tangible fixed assets	5,391	107
Auditors' remuneration - audit services	28	14
Auditors' remuneration - other services	-	2

**4 EMPLOYEES**

	2009 No.	2008 No.
The average weekly number of persons (including directors) employed by the group during the year was	28	25
	2009 £'000	2008 £'000
Staff costs for the above persons		
Wages and salaries	794	915
Social security costs	73	68
Other pension costs	129	114
	<u>996</u>	<u>1,097</u>

For the year ended 31 December 2009 the number of employees whose emoluments fell within the following bands are as follows

	2009 No.	2008 No.
£70,000 - £80,000	-	1
£60,000 - £70,000	2	1

The number of employees whose emoluments were above £60,000 and who had benefits accruing under the defined benefit scheme were as follows

	2009 No.	2008 No.
£70,000 - £80,000	-	-
£60,000 - £70,000	2	1

The total pension contributions for the year made for these staff was £32,743

The trustees received £nil (2008 £nil) remuneration, and £nil (2008 £nil) in expenses during the year

	2009 £'000	2008 £'000
Subsidiary director's remuneration		
Emoluments	<u>16</u>	<u>101</u>
Company pension contributions to defined benefit pension schemes	<u>-</u>	<u>11</u>

During the year retirement benefits were accruing to one director in respect of defined benefit pension schemes

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

5 TAXATION

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes. Tax paid by the subsidiary companies is reconciled below.

Factors affecting tax charge for the period

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	1,619	2,045
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 30%)	454	614
Effects of		
Expenses not deductible for tax purposes	19	10
Capital allowances in excess of depreciation	(25)	(58)
Rollover relief	(39)	-
Effect of 28% corporation tax rate for part of year	-	(28)
Mars depreciation in stock adjustment	(44)	-
Tax charge for the year	365	538

6 TANGIBLE FIXED ASSETS

GROUP

	Land and Buildings £'000	Plant and Machinery £'000	Farms £'000	Total £'000
Cost				
1 January 2009	7,107	6,418	42,472	55,997
Acquisition of subsidiary undertaking	2,638	10	-	2,648
Additions	-	334	4,900	5,234
Transfer to GB company	(1,069)	-	-	(1,069)
Disposals	-	(115)	(2,520)	(2,635)
31 December 2009	8,676	6,647	44,852	60,175
Depreciation				
1 January 2009	-	3,909	2,464	6,373
Acquisitions	65	8	-	73
Charge for year	-	636	324	960
Disposals	-	(107)	(73)	(180)
31 December 2009	65	4,446	2,715	7,226
Net book value				
31 December 2009	8,611	2,201	42,137	52,949
31 December 2008	7,107	2,509	40,008	49,624

A detailed analysis of farms is shown on page 22

All of the tangible fixed assets are used to generate income for charitable purposes

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

	Freehold Land £'000	Farms £'000	Total £'000
Cost			
1 January 2009	7,107	42,472	49,579
Additions	-	4,900	4,900
Transfer to GB company	(1,069)	-	(1,069)
Disposals	-	(2,520)	(2,520)
31 December 2009	6,038	44,852	50,890
Depreciation			
1 January 2009	-	2,464	2,464
Charge for Year	-	324	324
Disposals	-	(73)	(73)
31 December 2009	-	2,715	2,715
Net book value			
31 December 2009	6,038	42,137	48,175
31 December 2008	7,107	40,008	47,115

A detailed analysis of the farms category is shown on page 22

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 31 December 2009

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

Included within farms are

	Freehold Land £'000	Farm houses £'000	Assets in course of construction £'000	Farm buildings & amenities £'000	Equipment Fixtures & Fittings £'000	Total £'000
Cost						
1 January 2009	32,651	4,024	-	5,714	83	42,472
Additions	3,759	873	29	239	-	4,900
Disposals	(2,385)	(48)	-	(87)	-	(2,520)
31 December 2009	34,025	4,849	29	5,866	83	44,852
Depreciation						
1 January 2009	-	1,111	-	1,290	63	2,464
Charge for Year	-	127	-	193	4	324
Disposals	-	(27)	-	(46)	-	(73)
31 December 2009	-	1,211	-	1,437	67	2,715
Net book value						
31 December 2009	34,025	3,638	29	4,429	16	42,137
31 December 2008	32,651	2,913	-	4,424	20	40,008

7 INTANGIBLE FIXED ASSETS

Group	Single farm payment entitlements £'000
Cost and Net Book Value	
At 1 January 2009	-
Additions	55
At 31 December 2009	55

8 GOODWILL

	Positive Goodwill £'000
Cost and Net Book Value	
At 1 January 2009	-
Additions	10
At 31 December 2009	10

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

9 FIXED ASSET INVESTMENTS - GROUP

	Listed £'000	Total £'000
Cost and Net Book Value 1 January 2009 and 31 December 2009	5	5

The market value of listed investments, which are included above at cost of £5,000, as at 31 December 2009 was £12,110 (2008 £7,114)

COMPANY

	Investment in Subsidiary Undertakings £'000
1 January 2009	4,100
Acquisition of Anderson Farm (Buckworth) Limited on 20 August 2009	2,950
31 December 2009	7,050

The company holds more than 10% of the share capital of the following undertakings

Name	Country of incorporation	Class of holding	Proportion directly held	Nature of business
AgReserves Limited	England	Ordinary	100%	Farming
Anderson Farm (Buckworth) Limited	England	Ordinary	100%	Farming

Acquisition of subsidiary company

On 20 August 2009 the company acquired 100% of the issued share capital of Anderson Farm (Buckworth) Limited. The fair value of the total consideration was £2,950,000

The following table illustrates the identifiable assets and liabilities acquired and their fair value to the group

	Book Value £'000	Adjustments £'000	Fair value £'000
<b>Assets</b>			
Fixed assets	2,575		2,575
Trade debtors	1	39	40
Other debtors	13		13
Cash	334		334
<b>Liabilities</b>			
Corporation tax	(13)		(13)
Deferred tax	(9)		(9)
<b>Net assets</b>	<b>2,901</b>	<b>39</b>	<b>2,940</b>
Goodwill			10
Cash consideration			2,950

Anderson Farm (Buckworth) Limited earned turnover of £10,000 and had a loss after tax of £14,000 for the period 20 August 2009 to 31 December 2009

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

10 STOCKS	GROUP		COMPANY	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cultivations	2,292	2,892	-	-
Harvested crops	3,389	3,364	-	-
	5,681	6,256	-	-

11 DEBTORS	GROUP		COMPANY	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Due within one year				
Trade debtors	2,312	2,107	-	-
Other debtors	1,848	240	1,806	4
Amounts owed by group undertakings	-	-	3,725	4,073
	4,160	2,347	5,531	4,077

12 INVESTMENTS	GROUP		COMPANY	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
All investment income arises from interest bearing deposit accounts These are short term high interest accounts				
Fixed term deposit accounts	11,252	10,731	11,252	10,731

13 CREDITORS Amounts falling due within one year	GROUP		COMPANY	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade creditors	127	159	-	-
Other tax and social security	1,165	13	1,149	-
Corporation tax	198	538	-	-
Other creditors	208	177	159	137
Accruals	32	18	14	15
	1,730	905	1,322	152

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

14 CREDITORS Amounts falling due in more than one year

	GROUP		COMPANY	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Loan from parent company	4,216	3,619	4,216	3,619

The loan from the parent company is a loan from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

15 SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised 25 million ordinary shares of £1 each	25,000	25,000
Allotted, issued and fully paid 10 million ordinary shares of £1 each	10,000	10,000

16 TOTAL CHARITY FUNDS

	GROUP		COMPANY	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Balance at 1 January 2009	57,970	54,384	52,956	50,879
Net surplus for the year	6,051	3,586	4,797	2,077
Balance at 31 December 2009	64,021	57,970	57,753	52,956

17 RECONCILIATION OF MOVEMENT IN CHARITY FUNDS

	2009 £'000	2008 £'000
Surplus for the financial year	6,051	3,586
Opening charity funds	57,970	54,384
Closing charity funds	64,021	57,970

Charity funds are entirely attributable to equity interests

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

18 NOTES TO THE CASH FLOW STATEMENT

(a) Analysis of cash flows	2009 £'000	2008 £'000	
<b>Reconciliation of net movement in funds to operating surplus</b>			
Net income for the year	6,051	3,586	
Interest received	(113)	(674)	
Tax charge	365	-	
 Operating surplus	 <u>6,303</u>	 <u>2,912</u>	
<b>Returns on investments and servicing of finance</b>			
Interest received	<u>113</u>	<u>674</u>	
<b>Capital expenditure and fixed asset Investment</b>			
Purchase of intangible fixed assets	(55)	-	
Purchase of tangible fixed assets	(5,234)	(1,448)	
Proceeds from sale of tangible fixed assets	7,846	202	
 <u>2,557</u>	 <u>(1,246)</u>		
<b>Management of liquid resources</b>			
Investment in fixed term deposits	<u>(521)</u>	<u>(1,203)</u>	
The group includes fixed term deposits as liquid resources			
(b) Analysis of changes in net (debt)/funds	1 January 2009 £'000	Cash Flows £'000	31 December 2009 £'000
Cash at bank and in hand	3,531	2,342	5,873
Debt due after 1 year	(3,619)	(597)	(4,216)
 <u>Net (debt)/funds</u>	 <u>(88)</u>	 <u>1,745</u>	 <u>1,657</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2009

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**19 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS**

The company participates in a pension scheme operated by the Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The company has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members. Contributions to the scheme for the year were £129,294 (2008 £114,412).

**20 RELATED PARTY TRANSACTIONS AND ULTIMATE HOLDING COMPANY**

The company is owned solely by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, a company incorporated in the state of Utah, United States of America.

Details of the loan account with the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints are included in note 14. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints.

During the year, the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Great Britain) - "GB company" to carry out construction of church buildings on its behalf. The value of this work in the year was £1,089,000 (2008 £500,000). The GB company provides accounting and administrative services free of charge to the company. The value of these services is estimated to be £30,000. In addition, land valued at £1,069,954 was transferred from the company to the GB company.

Transactions with subsidiary companies have been disclosed in note 1.

**21 FINANCIAL COMMITMENTS**

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
Group	2009 £'000	2008 £'000
Expiry date within one year	15	10

The company had no lease commitments.